



JULIE LASSA

STATE SENATOR

Testimony on Senate Bill 35
Assembly Committee on Housing
Thursday, January 24, 2008
10:00 AM
300 NE

Thank you for the opportunity to provide testimony today on Senate Bill 35.

The Wisconsin Housing and Economic Development Authority offers a "reverse mortgage" program called the Property Tax Deferral Loan Program to elderly homeowners who are of moderate income to convert home equity into income to pay property taxes and special assessments.

The Property Tax Deferral Loan Program was created by the legislature in 1985 and was transferred to WHEDA in 1992. However, the dollar amount that qualifying senior citizens can borrow from WHEDA has not been adjusted since 1993. With increases in prices of gas, electricity and prescription medication, the eligible loan amount should be modified to help seniors stay in their homes.

SB 35 is a simple bill as it would increase the amount that a person may borrow from the Property Tax Deferral Loan Program from \$2,500, which was last adjusted in 1993, to \$3,525. This adjustment follows the increase in the Consumer Price Index between 1993 and 2007.

After working with WHEDA on this legislation, it was suggested that we remove the second provision dealing with increasing the annual income eligibility for seniors since the level of income of those applying for the program has remained relatively consistent over the last few years. The current average income of an individual applying for the program is \$12,645 which is well under the \$20,000 current income limit. The amendment to remove Section 1 of the bill was adopted in the Senate.

Thank you for your time and consideration of this issue. I would be happy to answer any questions that you may have.



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To: The Assembly Committee on Housing

From: Gail Sumi, State Issues Advocacy Director – 608-286-6307

Re: Support for SB 35, related to the Property Tax Deferral Loan Program

Thank you for the opportunity to speak in support of Senate Bill 35, which will increase the amount of assistance offered to low-income Wisconsinites who participate in the property tax deferral loan program through WHEDA. I want to thank Representative Albers and Senator Lassa for advancing this proposal.

AARP is a nonpartisan membership organization for people 50+. We have 820,000 members in Wisconsin.

According to 2000 census data, 22% of all households in Wisconsin were headed by the individuals 65 years or older and approximately 64% of older Wisconsinites live in their own home. AARP surveys show that almost 90% of our members prefer to “age in place,” that is continue to live in their own homes and own communities for as long as possible.

But we know that it can be difficult to continue to afford to stay in your own home. The increasing costs of health care, home maintenance and utilities are often a barrier to “aging in place.” That’s why AARP supports property tax deferral programs to allow low- and moderate-income homeowners to voluntarily defer property taxes until the property is transferred or the loan recipient no longer lives in the home. These programs require careful education efforts to reach the people for whom they are best suited, including especially homeowners who might face the loss of their home because of inability to pay escalating costs including the cost of property taxes.

Programs like the property tax deferral loan program, along with Family Care and other supports for older Wisconsinites can make a huge difference in allowing someone to stay in their own home. We urge you to support SB 35 and make this program more meaningful.

Thank you for your consideration.